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May 15, 2001

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Honorable Philip N. Asprodites
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

HEARING APPLICATION
James Formation, Reservoir A
Converse Field
Sabine Parish, Louisiana
Our File No. 370306.0014

Dear Sir:

On behalf of PINNACLE OPERATING COMPANY, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the James Formation, Reservoir A, in the Converse Field, Sabine Parish, Louisiana:

1. To create two (2) additional drilling and production units (to be designated as James RA SUP and James RA SUQ) for the James Formation, Reservoir A, in the Converse Field, Sabine Parish, Louisiana, as shown on the plat attached hereto.
2. To force pool and integrate all separately owned tracts, mineral leases, and other property interests within each of the proposed units, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate Pinnacle Operating Company, Inc. as the operator of James RA SUP to be created hereby and to designate the Pinnacle Operating Company, Inc.-International Paper 29 H No. 1 Well as the unit well for such unit.
4. To provide that the gas allowable provisions of Statewide Order No. 29-F, LAC 43:XIX.2101, et seq., shall not apply to horizontal wells drilled to the James Formation, Reservoir A, in the Converse Field, but that all such wells shall be given

an allowable based on the maximum efficient rate (MER) of the well, being the maximum sustainable daily withdrawal rate from the reservoir which will permit economical development and reservoir depletion without causing waste.

5. To amend the well spacing provisions of Order No. 501-B, effective February 1, 1975, to provide for special field spacing rules for any future horizontal well drilled to the James Formation, Reservoir A, in the Converse Field, which would provide (a) that the penetration point and terminus of any lateral of any such horizontal well shall not be located closer than 330 feet to any unit boundary, (b) that the average distance between the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 1,000 feet, (c) that the distance from any point along the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 660 feet, and (d) that there be no well spacing limitations between wells other than that accomplished by application of the aforestated provisions.
6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The James Formation, Reservoir A, in the Converse Field, Sabine Parish, Louisiana, is fully defined in Order No. 501-B, effective February 1, 1975.

Pertinent data regarding this application will be available for inspection at the offices of Long Petroleum, L.L.C., 400 Texas Street, Suite 800, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. David Benscoter at (318) 221-3516, during normal business hours, or write Mr. Benscoter at the above address, in order to arrange a time and date for such inspection. Copies of such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached and a copy of this application, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons required by the Rules of Procedure. The Applicant will also arrange for mailing, posting and publication of the legal notice of this hearing in accordance with the Rules of Procedure.

By Pre-Application Notice dated May 4, 2001, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a conference, and accordingly, no conference will be held.


Commissioner of Conservation
May 15, 2001
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A check in the amount of \$700.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 

Wm. Timothy Allen III

ATTORNEYS FOR PINNACLE OPERATING
COMPANY, INC.

WTAM:bp
Enclosures

- cc: Mr. James C. Broussard, Shreveport District Manager
Office of Conservation (w/enclosures)
cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

